

**REMARKS/ARGUMENTS**

**Amendments**

Before this Amendment, claims 1-20 were present for examination. Claim 1, 4, 8, and 13-17 are amended, while no claims are added or canceled. Therefore, claims 1-20 remain present for examination, and claims 1 and 16 are the independent claims. No new matter is added, as the amendments are supported in the Specification (Original Application, p. 7, ll. 9-22; p. 10, ll. 16-35). A Request for Continued Examination (RCE) is filed concurrently herewith. Applicants respectfully request reconsideration of this application as amended.

The Final Office Action dated November 16, 2006 ("Office Action") rejected claims 1, 4, 6-8, 10-13 and 16-20 under 35 U.S.C. §102(e) as anticipated by the cited portions of Sehr, U.S. Patent 6,609,658 ("Sehr"). The Office Action rejected claims 2, 3, 14 and 15 under 35 U.S.C. §103(a) as unpatentable over Sehr. The Office Action has rejected claims 8 and 9 under 35 U.S.C. §103(a) as being unpatentable over Sehr, in view of the cited portions of Gustin et al., U.S. Patent 5,987,439 ("Gustin"). Applicants request reconsideration in light of the amendments.

**35 U.S.C. §102(e) & §103(a) Rejection, Sehr et al**

The Office Action rejected independent claims 1 and 16 as anticipated by Sehr. For a valid anticipation rejection, the Office must show that each limitation from the claims appears in a single piece of prior art.

However, Sehr cannot be relied upon to teach or suggest the limitations recited in amended claims 1 or 16. Specifically, amended claim 1 recites "entry means for allowing a benefits provider [that is a distinct entity from the issuing authority] to input or update the benefits monetary value." Nor can Sehr be relied upon to teach "modifying the monetary benefit value for the patron in response to input received at the central computer transmitted from a benefits provider," as recited in claim 16.

The Sehr reference is a system and method that employs multi-application cards for use in the travel industry. These cards are described as having the ability to store and activate a traveler's permit for transportation and other travel services, as well as to have and employ a monetary value.

However, Sehr does not appear to be directed at benefits providers (e.g., entities such as "government agencies, welfare agencies, educational institutions, and private businesses" that offer patron benefits). Instead, Sehr seems directed solely at travel and transportation providers, which are different from the benefits providers set forth in the claims (*See* Sehr, col. 4, ll. 58-64).

Also, claim 1 specifically provides for a "central computer controlled by the issuing authority," while still allowing a distinct "benefits provider" to modify "benefits monetary value" via inputs to the central computer. The Office Action appears to identify the database (20) of Sehr as the element that teaches the central computer of the claims (Office Action, p. 3, ll. 12-13; p. 5, ll. 16-18, *citing* Sehr, col. 8, ll. 5-61). But this section of Sehr cannot be relied upon to teach the aspect of the claims, reciting a "central computer controlled by the issuing authority," yet configured to allow a distinct provider to input and modify benefit values. Sehr simply does not appear to teach or suggest that a distinct *benefits provider* can *modify* the *benefits monetary value* via input to the *central computer*.

Neither 1) the benefits provider, 2) the particular distinction between the benefits provider and the issuing authority, nor 3) the specified ability of a benefits provider to modify the benefits monetary value, is suggested by Sehr.

Finally, the applicants traverse the Official Notice related to claim 3, as no rationale for the Official Notice is set forth, nor does the Office Action identify the particular aspect of the claim being noticed.

For the reasons set forth above, it is respectfully submitted that independent claims 1 and 16 are allowable for at least the foregoing reasons. Claims 2-15 and 17-20 each depend from these independent claims and are believed allowable for at least the same reasons as given above. Applicants respectfully request that the rejections to the claims be withdrawn.

**CONCLUSION**

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at (303)546-0969.

Respectfully submitted,

/Michael L. Drapkin/

Michael L. Drapkin  
Reg. No. 55,127

TOWNSEND and TOWNSEND and CREW LLP  
Two Embarcadero Center, Eighth Floor  
San Francisco, California 94111-3834  
Tel: 858-350-6100  
Fax: 415-576-0300

MLD:klb  
61035651 v1